

H-3109-1 - LEASING UNDER SPECIAL ACTS

Format for Decision Rejecting Right-of-Way Lease Application



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO

3109 (Office Code)
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

:
:
: Oil and Gas
: Right-of-way
: Application
:

Application Rejected

On (Date), you filed in this office the above-identified application to lease the oil and gas under a railroad right-of-way owned by (Name) that crosses the lands identified below:

(LEGAL LAND DESCRIPTION)

In accordance with 43 CFR 3109.1-3, the adjoining landowners or lessees shown on your application were allowed 30 days in which to submit a bid for the amount or percent of compensatory royalty they would pay to the United States for the extraction of the oil and gas underlying the right-of-way through wells on adjoining lands, and you, as transferee of the right-of-way, were invited to submit a bid for the lease. We received your bid in the amount of 18% of 8/8ths.

(Name of adjoining landowner/lessee) has agreed to pay 25% compensatory royalty for the extraction of the oil and gas under the right-of-way in the application.

Regulation 43 CFR 3109.1-4 states, "Award of lease to the owner of the right-of-way, or a contract for the payment of compensatory royalty by the owner or lessee of the adjoining lands shall be made to the bidder whose offer is determined by the authorized officer to be to the best advantage of the United States, considering the amount of royalty to be received and the better development under the respective means of production and operation." The Fluid Mineral Operations Section of this State Office has furnished recommendations to accept the highest compensatory royalty bid for the tract in lieu of the leasing alternative.

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Based on the enclosed recommendations, your application to lease is hereby rejected.

Standard appeal paragraph (see Handbook 3100-1, Chapter 1).

Authorized Officer

2 Enclosures

- 1 - Fluid Mineral Resources Recommendation Memorandum
- 2 - Form 1842 - Information Sheet

Distribution:

- SO Fluid Mineral Resources
- Field Office Fluid Mineral Operations
- Adjoining Owner/Lessee